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Letter dated 17 October 2005 from the Chairman of the Security Council Committee established pursuant to resolution 1373 (2001) concerning counter-terrorism addressed to the President of the Security Council

I write with reference to my letter of 25 July 2005 (S/2005/482). The Counter-Terrorism Committee has received the attached sixth report from Australia submitted pursuant to paragraph 6 of resolution 1373 (2001) (see annex). I would be grateful if you could arrange for the present letter and its annex to be circulated as a document of the Security Council.

(*Signed*) Ellen Margrethe **Løj**
Chairman
Security Council Committee established pursuant to resolution 1373 (2001) concerning counter-terrorism

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Annex

Letter dated 11 October 2005 from the Permanent Representative of Australia to the United Nations addressed to the Chairman of the Counter-Terrorism Committee

I am writing in response to your letter of 11 July 2005 following up Australia's fifth report to the Committee and requesting updates on implementation of a range of counter-terrorism issues. The updated information you requested is attached (see enclosure).

I would also like to take this opportunity to assure you of Australia's ongoing efforts to provide leadership and assistance in the Asia-Pacific region in support of cooperative counter-terrorism efforts at the bilateral, regional and global levels. With the recent murders of more innocent victims from Australia, Indonesia and other countries in Bali, closely coinciding with the sad anniversary of the 2002 bombings on that island, we have again been given a stark reminder of the ever-present and deadly threat we all face. We reiterate Australia's enduring commitment to assist your committee to do all it can to combat the scourge of international terrorism and pledge our strong support for your excellent work as Chairman.

(*Signed*) John **Dauth**

Enclosure

Sixth report to the Counter-Terrorism Committee

Australia remains a strong supporter of international and domestic efforts to defeat terrorism. As noted in previous reports to the Committee, since the adoption of Security Council Resolution 1373, Australia has put in place extensive measures to prevent the financing of, preparations for and basing from Australia of terrorist attacks.

Australia has pleasure in responding to the request from the Counter-Terrorism Committee of the United Nations Security Council for further information on aspects of Australia's fifth report to the Committee regarding the implementation of Resolution 1373 (2001), which was submitted on 15 February 2005.

Financial Action Task Force (FATF) revised recommendations

The Committee sought an update on Australia's current review of anti-money laundering/countering the financing of terrorism (AML/CFT) measures and further information on the regulation of non-profit organizations.

As noted in our fifth report to the Counter-Terrorism Committee, UNSCR 1373 does not specifically require compliance with the revised FATF Forty Recommendations on Money Laundering, or the FATF Nine Special Recommendations on Terrorist Financing. Nevertheless, Australia is pleased to provide the requested update on Australia's review of its AML/CFT measures and further information on the regulation of non-profit organizations. We note that the Security Council, in its Resolution 1617, strongly urged all Member States to implement the FATF Forty Recommendations on Money Laundering and the Nine Special Recommendations on Terrorist Financing.

Update on AML/CFT review

As noted in its fifth report, Australia is in the process of undertaking a review of AML/CFT measures with a view to extending these obligations to a broader range of entities such as lawyers and accountants. This review is still ongoing as the Government of Australia continues to consult with affected industry sectors. The Minister for Justice and Customs is currently holding a series of round-table meetings with industry representatives with a view to releasing exposure draft legislation soon. Further information on the AML/CFT review is available on the Attorney-General's Department AML/CFT website at http://www.ag.gov.au/aml.

Regulation of non-profit organizations

As previously noted, Australian non-profit organizations (NPOs) are generally subject to similar registration and reporting requirements as other legal entities or arrangements, and NPOs are required to register with the Australian Taxation Office (ATO) for taxation purposes if they have a turnover of more than AUD 100,000 per year or if they are seeking eligibility for tax concessions or to be treated as deductible gift recipients. The requirement for NPOs seeking tax deductible gift recipient status to register with the ATO applies to all NPOs, regardless of turnover.

Registration involves obtaining an Australian Business Number (ABN) and being included on the Australian Business Register (ABR). Once an NPO is registered, key information, such as the NPO's charitable and tax deductible status is publicly available on the ABR website.

Charities and NPOs, irrespective of their turnover, must also register in most States if they wish to raise funds. These requirements are supervised by State authorities.

The ATO analyses financial transaction report information to ensure that entities linked to known terrorists or known terrorist organizations are not endorsed for tax concessions or as deductible gift recipients. Australia's financial intelligence unit, AUSTRAC, also monitors the financial transactions of NPOs in the same way that it monitors other organizations, by scrutinizing their international funds transfer instructions, significant cash transactions, suspect transactions and international currency transfers. To date, there have been no substantiated links between terrorist groups and NPOs in Australia.

The Australian Government has recently announced that it would consult with the State and Territory Governments on the possible enactment of laws to prevent further the use of non-profit or charitable organizations for the financing of terrorism.

The Australian Government has also conducted outreach activities with the non-profit sector, in particular, Australian non-government organizations (NGOs) delivering aid overseas. The Department of Foreign Affairs and Trade has participated in legal workshops with NGOs to explain their responsibilities under Australia's anti-terrorist financing legislation. Counter-terrorism clauses have been included in Government aid contracts with NGOs and commercial contractors and guidelines have been developed to assist NGOs to minimize the risk of aid funds being diverted to terrorist ends. Similar counter-terrorism clauses have been included in Australia's aid agreements with multilateral organizations such as UNICEF and UNDP.

The Convention for the Marking of Plastic Explosives for the Purpose of Detection

The Committee has sought an update on Australia's progress towards accession to the Convention for the Marking of Plastic Explosives for the Purpose of Detection (MARPLEX Convention).

During 2005, Australia has taken steps necessary to effect the implementation of the MARPLEX Convention. It is anticipated that the MARPLEX Convention and a National Interest Analysis (NIA) will be tabled in Parliament before the end of 2005. The Convention and the NIA will then be the subject of parliamentary review by the Parliamentary Joint Standing Committee on Treaties.

Draft legislation implementing domestically the obligations under the MARPLEX Convention has also been prepared for introduction into Parliament before the end of 2005. As Australia's treaties process requires all necessary legislation implementing a treaty to be in place before Australia becomes a party to a treaty, Australia will only be in a position to accede to the MARPLEX Convention once this legislation has been adopted.